

Message Text

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PAGE 01 PANAMA 01231 211310Z
ACTION ARA-10

INFO OCT-01 ISO-00 ONY-00 /011 W
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R 182006Z FEB 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 789
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AMEMBASSY KINGSTON
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY SINGAPORE
PANCANAL
USSOUTHCOM

C O N F I D E N T I A L PANAMA 1231

FOR STATE/COMMERCE

E.O. 11652: GDS
TAGS: BTID, PN
SUBJECT: ANDERSON'S CONTEMPLATED VENTURE IN PANAMA

REF: (A) PANAMA 0998, (B) PANAMA 1115

SUMMARY: FROM A COMMUNICATION RECEIVED FROM E. WONG'S SON, DENNIS, FEBRUARY 14, EMBASSY INFORMED THAT BANCO NACIONAL FELT IT WAS NOT OBLIGATED TOWARDS THE ANDERSON GROUP IN ANY WAY, BECAUSE LATTER HAD NOT FULFILLED A NUMBER OF PROMISES. DENNIS HIGHLY PERTURBED OVER BN'S STANCE AND NOW SEEKING GOP PERMISSION TO CONSULT WITH FATHER IN NEW YORK ON HOW TO COPE WITH PRESENT DEVELOPMENT. END SUMMARY

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1. LATE FEBRUARY 17, COMMERCIAL COUNSELOR RECEIVED HAND-DELIVERED LETTER FROM E. WONG'S SON DENNIS WITH ENCLOSURE COPY LETTER DATED FEBRUARY 14 ADDRESSED TO ANDERSON'S GROUP REP SHIPPEE BY BANCO NACIONAL'S (BN) ASST. GEN. MANAGER LUIS ALBERTO ARIAS.

2. ARIAS REFERRED TO SHIPPEE'S LETTER OF FEBRUARY 9 IN

WHICH HE SUBMITTED ANDERSON GROUP'S STABILIZATION PLAN (REF A) REGARDING WONG'S PACIFIC/ATLANTIC BANK (P/AB). ARIAS UNDERLINED IMPORTANCE OF DIFFERENTIATING SITUATION BETWEEN THE PANAMA HOTEL COMPLEX AND P/AB: IN FORMER BN "CAN EXECUTE DECISIONS" WHILE IN LATTER "DECISION MUST STEM FROM BANKING COMMISSION, AN ENTITY CONTROLLING BANKING IN PANAMA."

3. ACCORDING TO ARIAS, GROUP DEPOSITED WITH P/AB ONLY \$50,000 FOR "CONSOLIDATING AND REDUCING" P/AB PERSONNEL, INSTEAD OF THE PROMISED "NEW SOURCE OF LIQUID FUNDS" OF \$250,000 WHICH P/AB REQUIRED FOR ITS DAILY OPERATIONS. BN DREW GROUP'S ATTENTION TO FACT THAT GROUP COULD NOT USE FOR INVESTMENT PURPOSES THE \$1.24 MILLION WHICH BELONGED TO P/AB AND DERIVED FROM SALE OF PENINSULA NATIONAL BANK OF CALIFORNIA (ANOTHER E. WONG ENTERPRISE). GROUP'S PROPOSAL FOR HOTEL WAS NOT SATISFACTORY UNLESS ACCOMPANIED WITH NECESSARY FUNDS TO COVER THE COST FLOW DEFICIT FOR AT LEAST SIX MONTHS. BN MENTIONED IT HAD YET TO BE INFORMED OF ANY ARRANGEMENTS GROUP HAD MADE WITH MOSCOW-NARODNY BANK AND OTHER E. WONG CREDITORS. BN FURTHER OBSERVED "TIME" WAS HIGHLY ESSENTIAL FACTOR IN SOLVING WONG'S FINANCIAL PROBLEMS. BN NOW CONFRONTED WITH SITUATION WHICH DEMANDED QUICK DECISION FOR FINDING CAPITAL URGENTLY REQUIRED BY BOTH P/AB AND HOTEL. ARIAS CONCLUDED LETTER BY POINTING OUT, BECAUSE OF FOREGOING, BN FELT IT HAD NOT COMMITTED ITSELF WITH THE GROUP AND INTENDED TO TAKE ACTION CONSISTENT WITH BN'S INTERESTS.

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4. DENNIS HIGHLY CONCERNED OVER BN'S STANCE. HIS BELIEF BN DID NOT APPEAR TO COMPREHEND NEITHER GROUP'S STABILIZATION PLAN NOR THE TIMING OF ITS VARIOUS PHASES. HE INDICATED HE NOW SEEKING GOP PERMISSION (REF B) TO VISIT FATHER IN NEW YORK ON OR ABOUT FEBRUARY 21 IN EFFORT TO RESPOND APPROPRIATELY TO BN'S "ILL-CONSTRUED LETTER."

5. COMMENT: DENNIS'S COMMUNICATION QUITE A DEPARTURE FROM WHAT HE REPORTED ORALLY TO EMBASSY FEBRUARY 14 (REF B). SO FAR, ONLY BN'S NUMBER TWO MAN RECEIVED THE GROUP AND THIS MAY REFLECT GOP STANCE THAT IT DOES NOT WANT TO UNDERSTAND GROUP'S PROPOSAL AND MAY HAVE OTHER PLANS IN MIND FOR BOTH P/AB AND HOTEL. IN THE MEANTIME, IT REMAINS TO BE SEEN WHETHER THE FRENCH MORTGAGE BANK, FRANCOFIN, WILL BE FORTHCOMING WITH A LOAN FOR P/AB (REF B).
JORDEN

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Message Attributes

Automatic Decaptioning: Z
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Channel Indicators: n/a
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Concepts: BANKS, LOANS, FOREIGN INVESTMENTS
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Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
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Original Previous Classification: n/a
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SAS ID: 3281155
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TAGS: BTIO, EINV, PN
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